

**Illinois Department of Revenue
Regulations**

Title 86 Part 450 Section 450.50 Books and Records

TITLE 86: REVENUE

**PART 450
CIGARETTE USE TAX ACT**

Section 450.50 Books and Records

- a) Every distributor required or authorized to collect taxes imposed by the Cigarette Use Tax Act and every person using, in this State, cigarettes purchased on or after the effective date of this Act without Illinois cigarette tax stamps affixed to the original packages and without authorized tax imprints placed underneath the sealed transparent wrapper of the original packages, shall keep the records, receipts, invoices and other pertinent books, documents, memoranda and papers as the Department shall require, in a form as the Department shall require.
- b) Among other things, a distributor's records of a particular purchase from a manufacturer shall include:
 - 1) a copy of the distributor's purchase order (if any) to the manufacturer;
 - 2) the manufacturer's invoice to the distributor in duplicate (see subsection (d));
 - 3) bill of lading or waybill pertaining to the shipment covered by such invoice;
 - 4) receiving record (the receiving record should show the date when the cigarettes were received by the distributor); and
 - 5) other records as the Department may reasonably require.
- c) All books, records, papers, memoranda and documents that are required to be kept shall be kept in the English language and shall, at all times during business hours of the day, be subject to inspection by the Department or its duly authorized agents and employees. The books, records, papers, memoranda and documents of a distributor pertaining to business done by him at or from a licensed place of business, or at or from a place of business for which he holds a permit issued by the Department, shall be kept by the distributor at the place of business.
 - 1) The books, records, papers, memoranda and documents, which are required to be kept, shall be preserved for a period of at least 3 years after the date of the documents or the date of the entries appearing in the records, unless the Department, in writing, authorizes their destruction or disposal at an earlier date.
 - 2) It is not the purpose of this regulation to require distributors to keep duplicate sets of books and records. Consequently, to the extent to which a distributor is

required by the Cigarette Tax Act and by the Cigarette Use Tax Act to keep the same books and records, the distributor's compliance with the requirement under the Cigarette Tax Act shall be deemed to be a compliance with the same requirement under the Cigarette Use Tax Act.

- d) Invoices: Every person who purchases cigarettes for shipment into Illinois from a point outside this State, and who is required to file a return with the Department with respect to the cigarettes, shall procure invoices covering each shipment and shall furnish one copy of each invoice to the Department upon request. Each Illinois manufacturer of cigarettes in original packages that are contained inside a sealed transparent wrapper shall keep a copy of each invoice rendered by the manufacturer to any purchaser to whom the manufacturer delivered cigarettes (or caused cigarettes to be delivered) during the period covered by the manufacturer's return. Copies must be furnished to the Department upon request. Each manufacturer who holds a permit under Section 7 of the Cigarette Use Tax Act shall keep a copy of each invoice rendered by the permittee to any purchaser to whom the permittee delivered cigarettes of the type covered by the permit (or caused cigarettes of the type covered by the permit to be delivered) in Illinois during the period covered by the return. Copies must be furnished to the Department upon request. This subsection shall not apply to a transaction in which the same requirement applies by virtue of the provisions of 86 Ill. Adm. Code 440.110 (Cigarette Tax Act rules).
- e) When a permit holder or licensee under the Cigarette Use Tax Act (as distinguished from a licensee or permit holder under the Cigarette Tax Act) sells Illinois tax-stamped or tax-imprinted cigarettes to anyone other than a Federal or foreign government agency or instrumentality, distributor's invoice shall state the amount of the cigarette use tax to the purchaser as a separate item from the selling price of the cigarettes. However, when a person sells cigarettes to a Federal or foreign government agency or instrumentality, his invoice should omit any reference to the cigarette use tax.

(Source: Amended 27 Ill. Reg. 1647, effective January 15, 2003)